

PROVIDING FUNDING FOR CROSS-BORDER INITIATIVES

One of the problems in implementing cross-border economic development strategies is the limited number of truly cross-border funding mechanisms. INTERREG, the reference tool, may not be sufficient, because of limited resources or funding oriented towards other priorities. However, there are few alternatives to INTERREG programmes. Indeed, the tools are generally designed within a national framework, be they government aid, tax incentives, private or public-sector investment funds, etc.

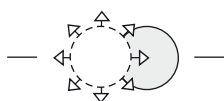
It is necessary to increase funding options for cross-border projects by coordinating national mechanisms, or by establishing cross-border funds.



The **national mechanisms** (ERDF-ESF regional programmes), investment banks, etc. should be able to grant funding to economic players with cross-border projects.

EXAMPLE:

In Austria, ERDF regional programmes fund businesses to develop cross-border projects.

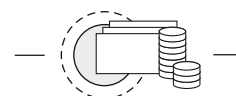


Cross-border coordination of national mechanisms makes it possible to fund both halves of a single project on either side of a border. This could be by linking national and local innovation or SME support programmes, parallel financing by public banks, etc. It is also possible to coordinate ordinary state aid for exports (for example, Bpifrance, Coface and regional aid) with ordinary state aid for investments in regions on the other side of the border

(in France for example, territorial planning and development grants and the reindustrialisation aid programme).

EXAMPLE:

For the 2014-2020 period, the partner regions of the Pyrenees-Mediterranean Euroregion agreed in principle to finance the activities of the Euroregion through their ERDF-ESF regional programmes.



The **establishment of cross-border funds** (subsidies, loans, loan guarantees, shareholding programmes, etc.) that comply with rules on state aid and do not hamper competition makes it possible to meet the specific needs of cross-border projects.

EXAMPLE:

The objective of the cross-border fund managed by the Aquitaine-Euskadi Euroregion is to grant small subsidies to launch a project which, once underway, may seek other types of financing.

COORDINATING DIFFERENT SOURCES OF FUNDING

Synergies between the different funding mechanisms must be sought to overcome the difficulties created by multi-level structures and partnerships covering partially overlapping territories.

It is important to **identify complementarities between European programmes**. This makes it possible to direct the different projects towards the most useful funding tools.

EXAMPLE:

The Aquitaine-Euskadi Euroregion conducted a comparative analysis

of regional programmes (ERDF-ESF, EAFRD and EMFF) in the two partner regions and of cooperation programmes (POCTEFA, SUDOE, Atlantic Area Programme and INTERREG EUROPE).

Further, **coordinated strategic financing decisions must be made** for projects led by economic players.

EXAMPLE:

As part of the EURES-T Upper Rhine activity programme, DIRECCTE Alsace chose to finance two cross-border "Apprenticeship" project officers hired by the Baden-Württemberg regional directorate of the German federal employment agency. This is in line with a win-win rationale, because Alsace wishes to solve the problem of youth unemployment while

Baden-Württemberg has available apprenticeship positions and a need for labour.